



# RESEARCH PAPER ON 'A COMPARATIVE STUDY OF FINANCIAL PERFORMANCE OF CO-OPERATIVE SUGAR INDUSTRIES WITH SPECIAL REFERENCE TO NARMADA AND GANESH SUGAR FACTORIES'

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## ABSTRACT

In the world sugar producing countries especially Brazil, India, Thailand, Australia, South Africa, Indonesia and Mauritius. India is the largest consumer of sugar in the world. Sugar producing states in India are Maharashtra, Gujarat, Karnataka, Uttar Pradesh, Punjab and Tamil Nadu. Incentive policy of the government in the establishment and development of co-operative sugar industry in the country and in Gujarat, especially in South Gujarat region. With the co-operation of local farmer leaders as well as successful local leadership, this co-operative sugar industry stands in the way of its distinctive identity. Sugarcane cultivation and its production has been changing in different parts of South Gujarat. In 1961-62 there were 2 co-operative sugarcane society, now the number has reached up to 23. Daily crushing capacity of different co-operative sugar societies at 800 TCD to 1000 TCD. Directly and indirectly economic and social standard of more than four lakh farming families in South Gujarat alone, has gone up. Its credit goes to Sugar Industry.

By this research paper on Shri Narmada Khand Udyog Sahakari, Mandli Ltd. And Shri Ganesh Khand Udyog Sahakari, Mandli Ltd. Located in the South Gujarat zone, an effort is made for a comparative study of the economic performance of the cooperative society.

## INTRODUCTION:

The development of various types of co-operatives are found in Gujarat. In which at first place there is the co-operative sugar industry society and in the second place the co-operative dairy industry. In South Gujarat, especially by Sahakari Khand Udyog Mandli, they have made a great contribution to the economic and social development of the farmers as well as the people of the rural areas. The number of co-operative sugar factories has increased from 2 in 1961-62 to 23 now. In which 15 factories are in working conditions (2019-20) out of which 16 factories are in the South Gujarat. About 65,500 tonnes of sugarcane is

crushed. Now a days about 2,40,000 to 2,50,000 hectares of area is used for sugarcane plantation. 1,21,000 hectares of area is planted with sugarcane only in Surat district of the South zone.

Maharashtra ranks first in sugar production and Gujarat ranks second in India. In this too, South Gujarat remained in the fore front. It makes Gujarat proud to be in the second position in the high recovery zone for sugar production in the entire country.

## LITERATURE REVIEW:

Sr. No.	Title - Author	Abstract	Research Issue/ Result	Year of Publication
1.	"Indian sugar industry - a strong industrial base for rural India" - Pandey Adya Prasad	Bringing socio economic changes in under developed rural areas.	Indian sugar industry has been facing raw material, and resource as well as infrastructural problems. It needs quality management at every level of activity to enhance its performance.	Dec. 2007
2.	"A Study of Financial Performance of Sugar Industry of Gujarat State during 2002 to 2013" - Dilipsinh R. Thakor	Sugar industry is one of the major agro-based industry in India, it has been very important in resource mobilization, employment generation, income generation and creating social infrastructure in rural areas.	The study is focused on the financial performance of the selected Sugar manufacturing industrial units of Gujarat for the period 2002-03 to 2012-13 with the use of Ratio Analysis, Analysis of Variance (ANOVA) and Trend Analysis. There is significant difference in composite current ratios of selected Sugar Industry during Study period.	July. 2014

## OBJECTIVE OF THE STUDY:

Knowing the economic performance and current condition of Narmada and Ganesh Sugar Factory and to perform a comparative study between them.

## RESEARCH METHODOLOGY:

Useful information in research studies is obtained from a variety of sources. Required statistical information especially secondary information is obtained. Out of total 23 co-operative sugar factories, 15 sugar factories are in operation, out of which 16 co-operative sugar factories are functioning in South Gujarat area. Among the Shri Narmada Khand Udyog Sahakari, Mandli Ltd. Dharikheda District: Narmada and Shri Ganesh Khand Udyog Sahakari, Mandli Ltd. Vataria District: Bharuch have been known the growth and progress of this independently selected co-operative sugar industry society Ltd. It is also necessary to get information about the annual survey. The data published in the audited annual report of this co-operative sugar factory will be obtained and used with full confidence.

## Time Period:

Last 10 years of data has been analysed from 2010-11 to 2019-20. The purpose is to know by percentage what the two sugar factories look like in comparison.

### 1. Shri Narmada Khand Udyog Sahakari, Mandli Ltd. Dharikheda, District: Narmada (South Gujarat Zone):

Maharashtra ranks first in sugarcane and sugar production in India and

accounts 10% of world sugar production. Gujarat ranks second in the country with South Gujarat accounting for more than 90%. All the factories operating in Gujarat spend a large portion of their income on sugarcane. The reason is that all our farmers own it. The first co-operative sugar factory was established in 1955 at Bardoli. Subsequently, sugar factories were started on a co-operative basis in each area. Out of which Shri Narmada Khand Udyog Sahakari Mandli Limited, Dharikheda was registered in the year 1990. It started in the year of 1995-96 with a daily crushing capacity of 2500 (TCD) tonnes. Even at present, the daily crushing capacity of this sugar factory is 2500 (TCD) tonnes. It is the only co-operative sugar factory located in Narmada district.

The sugar factory has been awarded the Best Performance Award, Highest Crushing Award, Highest Recovery Area Award, Cane Development Award, Best Technical Performance Award, Financial Management Award, Industry Excellence Award, etc. 13 Awards has been received from the year 2010-11. Speciality of this co-operative sugar factory with sugar production plant, Distillery plant, Organic manure plant, 9 MW Captive plant, etc. Are the pillars of their development

### 2. Shri Ganesh Khand Udyog Sahakari Mandli, Vataria, District: Bharuch (South Gujarat Zone):

Brazil is the largest producer of sugar in the world, India comes second. Gujarat ranks second in the country. The area of South Gujarat is known as

the hub of co-operative sugar societies. It is the only co-operative sugar factory in Bharuch district with a special rural area established in the area. This co-operative sugar factory was registered in the year of 1985. The opening year of this co-operative sugar factory was year of 1987-88. At the time of inception of this co-operative sugar factory the daily crushing capacity of

sugarcane was 1250 (TCD) tonnes. Which is operating today at a daily crushing capacity of 4000 (TCD) tonnes. The factory has not received any award since 2010-11. This factory also run Distillery plant, Organic Manure plant hand in hand. All these things are the pillars of their development.

Table-1

Sr. No.	Performance Parameter	Narmada Sugar Performance			Ganesh Sugar Performance		
		2010-11	2014-15	2019-20	2010-11	2014-15	2019-20
1.	Area under sugarcane (Acre)	29,000	32,500	27,000	26,281	31,547	21,696
2.	Cane crushed (tonnes) TCD	6,92,832.910	8,21,036.370	7,64,053.860	7,00,496.500	6,85,276.610	5,02,913.250
3.	Sugar production (quintal)	7,13,165	8,24,700	8,03,300	6,93,282	6,70,407	5,03,980
4.	Recovery of sugar (%)	10.26	10.02	10.51	9.90	9.78	10.02
5.	Paid-up prices to farmer per tonnes (Rs.)	2,350	2,555	3,460	2,293	2,277	3,256

TCD: Tonne Capacity per Day

Narmada Sugar  
*Source: 22<sup>nd</sup> Annual Audit report 2010-11  
 26<sup>th</sup> Annual Audit report 2014-15  
 31<sup>st</sup> Annual Audit report 2019-20*

Ganesh Sugar  
*Source: 25<sup>th</sup> Annual Audit report 2010-11  
 29<sup>th</sup> Annual Audit report 2014-15  
 34<sup>th</sup> Annual Audit report 2019-20*

#### The description of the Table-1 is as under:

1. In the year 2010-11, the area under sugarcane plantation in Narmada Sugar was 29,000 Acres. Which increased to 32,500 Acres in 2014-15. It indicates 12.07% growth. But in 2019-20 the plantation area got down and it became 27,000 Acres. It shows 6.90% decrease in last 10 years.

In comparison, in the year 2010-11, the area under sugarcane plantation in Ganesh Sugar was 26,281 Acres which increased to 31,547 Acres in 2014-15. It indicates 20.04% growth. But in 2019-20 the plantation area got down and it became 21,696 Acres. It shows 17.45% decrease in last 10 years.

The decline in the area under cultivation of both these sugar factories indicates that farmers are turning to other crops.

2. In the year 2010-11, the crushing of sugarcane in Narmada Sugar was 6,92,832.910 tonne. In contrast, in 2014-15, it increased by 8,21,036.370 tonnes, showing an increase of 18.50%. In 2019-20, it dropped to 7,64,053.860 tonne, an increase of 10.28% in the last 10 years.

In comparison, in the year 2010-11, the crushing of sugarcane in Ganesh Sugar was 7,00,496.500 tonnes. Against which it fell to 2.17% in 2014-15 with 6,85,276.610 tonne. Also in 2019-20, it dropped to 5,02,913.250 tonnes, a decrease of 28.20% in the last 10 years.

3. In the year 2010-11, the production of sugar in Narmada Sugar was 7,13,135 Quintal, against which in year 2014-15 by increasing it became 8,24,700 Quintal, that shows 15.64% increase. But in 2019-20 by reducing, it was 8,03,300 Quintal. It shows 12.04% reduction in last 10 years.

In comparison, in the year 2010-11, the sugar production in Ganesh Sugar was 6,93,282 Quintal, against which in 2014-15 by reducing it became 6,70,407 Quintal, which shows 3.30% reduction. But in 2019-20 by reducing, it was 5,03,980 Quintal. It shows 27.31% reduction in last 10 years.

The decline in sugarcane crushing can be attributed to the decline in sugar production in both these sugar society.

4. In the year 2010-11, the recovery of sugar in Narmada Sugar was 10.26% as against 10.02% in 2014-15. That is a decrease of 2.34%. But in 2019-20, it has increased by 10.51% with a 2.44% over the last 10 years.

In comparison, the recovery of sugar in Ganesh Sugar in 2010-11 was 9.90%, while in 2014-15, it has come down to 9.78%. That is a decrease of 1.21%. While for the year 2019-20 has increased to 10.02% with an increase of 1.21% has been seen in the last 10 years.

5. The price of sugarcane paid to farmers per tonne by Narmada Sugar was Rs. 2,350 in 2010-11, but increased to Rs. 2,555 in 2014-15. That is an increase of 8.72%. With that, in 2019-20, it increased to Rs. 3,460, an increase of 47.23% in the last 10 years.

In comparison, the price of sugarcane paid to farmers per tonne by Ganesh Sugar in 2010-11 was Rs. 2,293. In the year 2014-15, this price has come down to 0.70% in Rs. 2,277. But for 2019-20, it has risen to Rs. 3,256, an increase of 42.00% in the last 10 years.

grow in these sugars factories in the five-year phase from the beginning, while in the second phase it is reduced. The increase and decrease in Narmada sugar is particularly significant as compared to Ganesh sugar.

- Comparing sugarcane crushing, Narmada sugar shows an increase in the first phase from the beginning, while the second phase shows a decline. In comparison, Ganesh sugar gradually decreases in the stages from the beginning.
- Comparing sugar production, Narmada sugars production increases in the first phase from the beginning, while in the second phase it is showing a decline. In comparison, the production of sugar in Ganesh sugar is continuously declining in both phases.
- Comparing sugar recovery, Narmada sugars recovery is seen to decrease in the first phase from the beginning, while the second phase has seen an increase in it. At the same time, Ganesh sugar has the same status as Narmada sugar.
- And finally, comparing the per tonne price paid to the farmers, the price in both sugar factory gradually increases in the initial phase, while the prices of Narmada sugar are slightly higher in the second phase.
- In comparison Narmada sugar is better than Ganesh sugar at the end of the second phase in terms of its important parameters such as sugar cane crushing, sugar production, sugar recovery and price paid to farmers, which indicates a very good economic performance of the organization. Not only that, the number of various awards received in the last ten years also shows the best performance of Narmada sugar.
- The economic performance of Narmada sugar is better than Ganesh sugar in short.

#### REFERENCES:

- 22<sup>nd</sup>, 26<sup>th</sup>, 31<sup>st</sup> Annual Audit Report of Narmada Sugar Factory (2010-11, 2014-15, 2019-20)
- 25<sup>th</sup>, 29<sup>th</sup>, 34<sup>th</sup> Annual Audit Report of Ganesh Sugar Factory (2010-11, 2014-15, 2019-20)
- <https://allgujaratnews.in>

#### CONCLUSION:

- Talking about the important parameters of the last 10 years of these two co-operative sugar factories, at first the sugarcane plantation area is seen to